

RENT SETTING POLICY	
Policy Number	HM 3.2 Version 3.0
Prepared by	Stacy Angus, CEO
Date of Review	January 2026
Date of Next Review	January 2027
Reviewed and Approved by	Osprey Housing Board February 2026

Printed copies are UNCONTROLLED. It is the user's responsibility to verify printed material against the controlled document register.

RENT SETTING POLICY STATEMENT

Osprey Housing believe that effective and efficient rent setting is vital to the success of maintaining good quality services for all our tenants and providing value for money.

We embrace quality financial management and tenant engagement in ensuring we remain a successful and sustainable organisation and this is encompassed in our Core Values:

- ✓ **AMBITION and ACHIEVEMENT**

We are a high performing organisation delivering through innovation and challenge.

- ✓ **EQUALITY and RESPECT**

We recognise and celebrate the unique value in everyone.

- ✓ **QUALITY and PROFESSIONALISM**

We strive to deliver high standards.

- ✓ **AGILE and RESPONSIVE**

We are flexible and quick to deal with change without diminishing our delivery.

1. Introduction

Osprey Housing is a Registered Social Landlord (RSL) and are required by the Scottish Housing Regulator (SHR) to adopt a rent setting policy that takes account of affordability, viability, and comparability. RSLs are also expected to design a rent setting mechanism which apportions rents fairly to individual properties.

The rent setting mechanism has to address equity and consistency issues arising from the difficulty in setting rents which objectively reflect affordability and comparability across a varied housing stock and large geographical area. The rent setting mechanism adopted is based on a points system for rent setting that was established via the rent harmonisation process carried out in 2024 under full tenant consultation and engagement.

The rent setting point structure is attached as Appendix 1.

This policy also crucially interlinks with the Financial Business Plan and the annual budget setting process. The annual rent review accounts for the income of the organisation and this needs to support the budget and future business plan assumptions to ensure we remain a viable and financially sustainable organisation.

This policy complements the aims and objectives of Osprey Housing's Strategic Plan, which includes the following

- the provision of affordable social rented housing;
- continuously improving the quality and value of its services;
- employing robust financial planning in our decision making processes;
- proactive tenant engagement throughout all rent setting processes

Osprey Housing recognises the importance and impact of social, economic and political factors in the rent setting process and the annual rent review. Osprey Housing will carry out a budget setting process annually and produce an updated detailed Financial Business Plan for both a 5 and 30 year period alongside the annual budget process. The Financial Business Plan will incorporate the short, medium and longer term view of financial viability; the ability to meet future capital renewal, major and cyclical repair obligations.

2. Policy Objectives

Osprey Housing's primary rent setting policy aims are to:

- state clearly how the key criteria of affordability, viability and comparability will be used in the setting and the annual varying of Osprey Housing's rents;

- ensure that it has a rent structure that is easy to understand, easy to apply, is flexible, fair and transparent; and
- promote effective and meaningful tenant consultation and involvement in rent setting. With all tenants and Osprey Tenants and Residents Association (OTRA) being consulted about any rent or service charge changes.

3. Policy Principles

In setting its rents, Osprey Housing will have regard to the following key principles:

3.1 Viability

- Sufficient income: the costs of providing the properties should be met from the rents set, in particular that loan charges, void loss, management and maintenance costs, including amounts set aside for future expenditure, are met in full.
- Osprey Housing recognises that rents set and reviewed on an annual basis must sustain the business that it operates, and the services it delivers to tenants thereby ensuring financial viability and the long term sustainability of the organisation.

3.2 Affordability

- **Affordability**: rents should be affordable to tenants. We use a recognised measure of affordability which applies a variety of economic household factors against our stock profile. This will be updated annually and shared with the Board to ensure decision making takes affordability into account.
- **Service Charges**: are applied only for non HB eligible costs, such as personal energy and fuel costs. These will be varied according to actual cost, in line with the statutory obligation to recoup these costs. For this reason Service Charges will not be taken into account for affordability measures. However, such charges will be assessed separately from the rent structure, in accordance with Osprey Housing's Service Charge policy.
- **Limited increases**: based on our understanding of current and foreseeable economic circumstances any increase in rental income will reflect the following:

  a. Ensuring Best Value for tenants by applying the lowest % rent increase that can be sustained by the Financial Business Plan without impacting service delivery. All rent increases will be in consultation with OTRA and the full tenant base.

  b. We will use Consumer Price Index (CPI) as a budget setting guide, applying the September figure, announced in October, to our annual budget and rent setting process.

3.3 Comparability

- Comparability: rents set in each area of operation should represent good value when compared with rents charged for equivalent properties by other social housing providers in that area. This will also take into account Osprey Housing's financial commitments and stock profile.
- Osprey Housing will compare its rent levels annually as part of the Annual Return on the Charter and associated Landlord reports. This will be compared against other RSLs who operate in the same geographic areas and any other appropriate local housing provider.

3.4 Tenant Consultation

- Osprey Housing is committed to involving tenants and will adopt a flexible approach to enable tenants to engage as fully as possible in the rent setting process. Consultation on policy changes will be carried out with OTRA prior to the relevant Governing Body approval.
- In accordance with the Scottish Secure Tenancy (SST) agreement and the Housing (Scotland) Act 2001, Osprey Housing will carry out full consultation on any proposed rent review or rent increase and have regard to tenants' opinions prior to setting the rent level. This will ensure that tenants have the opportunity for input into the process and are well informed about the reasons for any proposed increase.

Osprey Housing will inform tenants in writing at least four weeks before any change in rent is applied in accordance with the requirements of the SST.

3.5 Rent Differentials

- Individual rents may vary by greater or lesser percentages but only with Board approval. This will only be in exceptional circumstances or for the following circumstances:

  a. to allow for changes to the property or its surroundings, as a result of which the number of points applicable to the property change; or
  b. to allow for rent phasing or freezing of rents which are still being adjusted from levels applied before the introduction of this policy and rent setting mechanism; or
  c. Rents for newly built or acquired properties. The rent for new developments may vary dependant on the individual development funding for each particular scheme.

4. Equality and Diversity

Osprey shall strive to ensure equality of opportunity, and by definition, that all individuals are treated fairly regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

We oppose, and shall adopt a zero tolerance stance towards, all forms of unlawful discrimination, harassment and victimisation. In this regard, Osprey acknowledges the protected characteristics and types of unlawful behaviour defined within the Equality Act 2010. As a minimum all practices shall aim to ensure compliance with the legislative provisions therein.

5. Monitoring and Reporting

The following areas will be subject to monitoring on a continuing basis:

- Outcomes expected from the Scottish Social Housing Charter
    a. Charter outcome 13: Value for money - tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay
    b. Charter outcome 15: Rents - Tenants get clear information on how rent and other money is spent
- Risk management – Strategic risk matrix and Key Performance Indicators
- Training and information for staff

Osprey Housing is committed to involving tenants. Osprey Housing adopt a flexible approach to enable tenants to engage as fully as possible in monitoring Charter outcomes and other assessments of performance by Osprey Housing in relation to this policy. Consultation and communication with OTRA are continual and on-going.

Rental income received will be measured against budget projections during periodic financial reports to Osprey Housing's Board. Annual rent increases and associated consultation processes will be assessed by the Housing Committee, Resource and Governance Committee and OTRA, before being approved by the Board.

6. Review

This policy will be reviewed annually unless the following criteria dictate that it would be best practise to review sooner:

i. applicable legislation, rules, regulations and guidance, both those which affect Osprey Housing directly and those which affect the resources available to significant numbers of our customers to enable them to sustain tenancies
ii. changes in the organisation
iii. continued best practice

7. Other Related Documents

Policies which are linked to this policy and which should be read in

conjunction with it, are:

- Strategic Plan
- Financial Business Plan
- Asset Management Strategy
- Tenant Participation Strategy
- Service Charge Policy
- Equality & Diversity Policy

Appendix 1
- Osprey Housing Rent Point Structure

Property Characteristics		Points
Property Type	Detached Bungalow	25.00
	Semi Detached Bungalow	20.00
	End Terrace Bungalow	17.00
	Mid Terrace Bungalow	13.25
	Detached House	25.00
	Semi Detached House	20.00
	End Terrace House	17.00
	Mid Terrace House	13.25
	Tenement Flat	8.75
	Cottage Flat (4 in a block)	10.00
	Flat Other	8.75
	Maisonette	8.75
Number of Bedrooms	1	3.80
	2	15.20
	3	26.60
	4	38.00
	5	49.40
	6	57.00
Number of Bedspaces	1	0
	2	0
	3	3
	4	7
	5	11
	6	13
	7	14
	8	18
	9	20
	10	36
Year of Construction	Pre 2000	5
	2001-2009	10
	2010 onwards	15
Baseline Points		
Local Authority Area	Aberdeen City	65
	Aberdeenshire	60
	Moray	50
SIMD (Link to Scottish Government scoring system by	Score 0-1000	0.00
	1001-2000	0.90
	2001-3000	2.70
	3001-4000	4.50

postcode) SIMD (Scottish Index of Multiple Deprivation)	4001-5000 5001-6000 6001 +	6.30 7.65 9.00
Rural Factor (Link to Scottish Government scoring system by postcode) Scottish Government Urban Rural Classification 2020 - gov.scot)	Scoring of 1-5 Score of 6	0 -5

Value of Points

Base £/Point	£4.21

Appendix 2

Osprey Housing
Equality Impact Assessment Tool
PLEASE READ THE GUIDANCE FOR COMPLETION: Equality Impact Assessment Guidance.doc

Name of the **policy / project proposal** to be assessed	Rent Setting Policy HM 3.2	Is this a **new policy/proposal or a revision**?	Revision
Person(s) responsible for the assessment	CEO		

3. What **outcomes** are **wanted** from this policy/proposal? *(e.g. the benefits to customers)*	This Policy sets out Osprey's rent setting mechanism which apportions rents fairly to individual properties. This policy will benefit all tenants by providing a consistent, transparent and fairer rent charging system.

4. Which **protected characteristics** could be **affected** by the proposal? (*tick all that apply*)

Age √ Disability √ Marriage & Civil Partnership √ Pregnancy/Maternity √
Race √ Religion or Belief √ Sex √ Gender Reassignment √ Sexual Orientation √

5. If the policy / proposal is not relevant to any of the **protected characteristics** listed in part 4, state why and end the process here.

This Policy is in place to ensure that changes to rent are developed and implemented in a fair and consistent way and do not impact negatively on any protected characteristic. Section 5 of the Policy sets out that in implementing this Policy, Osprey will strive to ensure that it does not discriminate against anyone on the grounds of any of the nine Protected Characteristics stated in the Equality Act 2010. These are age, disability, gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, race, religion and belief, sex, or sexual orientation.

6. Describe the **likely positive or negative impact(s)** the policy/proposal could have on the groups identified in part 4	**Positive impact(s)**	**Negative impact(s)**
	Maintain a fair system of rent charging for all	Cause hardship and financial difficulties for financially vulnerable tenants
7. What **actions** are **required** to address the impacts arising from this assessment? *(This might include; collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts).*	Impact - 45% of Osprey tenants are known to be in receipt of Welfare Benefits/Universal Credit and therefore a slightly larger proportion of our tenant base are in work. When setting rents we will compare the proposed average rents to the Living Wage to confirm that the affordability for tenants remains within the required limits. Having a clear understanding of the groups of tenants that are impacted, we can target individual tenants with additional engagement and support as required. Tenant Communication **-** changes to rents will significantly impact tenants. Managing expectations and effective communication is vital. We will involve tenants in the process and adopt a flexible approach to enable tenants to engage as fully as possible in the process. Consultation on changes to this policy will be carried out with OTRA prior to the relevant Board approval. In accordance with the Scottish Secure Tenancy (SST) agreement and the Housing (Scotland) Act 2001, Osprey Housing will carry out full consultation on any proposed rent increase and have regard to tenants' opinions prior to setting the rent level. This will ensure that tenants have the opportunity for input into the process and are well informed about the reasons for any proposed increase. We will inform tenants in writing at least four weeks before any change in rent is applied in accordance with the requirements of the SST.	

	We will communicate with tenants in ways that match any specific needs (i.e. larger font in letters/emails, access to translators on request, etc.) Financial advice/sign-posting will be available from support organisations for financially vulnerable tenants.

Signed: ____Clare Ruxton_____ (Job title): ___ Director of Corporate Services_____

Date the Equality Impact Assessment was completed: _____10 January 2025_____